

Prescription Drug Assistance Under the Medicare Program

The *Medicare Modernization Act of 2003 (MMA)*, enacted on December 8, 2003, creates a new drug benefit for Medicare beneficiaries – Medicare Part D. The drug benefit begins on January 1, 2006. Until then, a discount card program and transitional assistance credit are available through the Medicare Program to help beneficiaries with their prescription drug costs.

Medicare Drug Discount Card Program

From June 2004 through December 31, 2005, Medicare beneficiaries can enroll in one of several Medicare Approved drug discount cards estimated to offer savings of 10-15 percent. Enrolling in these cards is voluntary. Medicare beneficiaries can sign-up for only one discount card per year. Consumers are eligible to enroll in a discount card if they have Medicare and do not have outpatient prescription drug benefits under your State Medicaid Program. There are no income qualifications for the discount cards. Each discount card plan sets its own annual enrollment fee of up to \$30. There is no monthly fee for the discount cards.

Medicare Transitional Assistance Credit in 2004 and 2005

Low income Medicare beneficiaries with 2004 incomes below \$12,569 for singles and \$16,862 for couples who do not have private or Medicaid prescription drug coverage are eligible for a total transitional assistance credit of \$1,200. This \$1,200 provides up to \$600 credit each calendar year (2004 and 2005). Any remaining, unused funds from the \$600 credit in 2004 will rollover to 2005. Beneficiaries eligible for the credit must enroll in a Medicare approved drug discount card by December 31, 2004 to receive the full \$1,200 credit. Enrollment after December 31, 2004 provides a prorated credit in 2005. Beneficiaries enrolled in State Pharmaceutical Assistance Programs (not Medicaid) are eligible for a Medicare-Approved Drug Discount Card and the transitional assistance credit.

Medicare Prescription Drug Benefit (Medicare Part D)

Beginning in January 2006, Medicare will begin to pay for outpatient prescription drugs through private plans under the new Part D. Costs under the benefit include: a \$250 deductible, an estimated \$35 monthly premium, and 25 percent of drug costs from \$250 to \$2,250 (Medicare pays 75%). The beneficiary will pay 100 percent of drug costs from \$2,250 to \$5,100. This \$2,850 gap is called the "donut hole" ($\$5,100 - \$2,250 = \$2,850$). Catastrophic coverage begins after \$3,600 in out-of-pocket costs then Medicare will pay for 95 % of drug costs and the beneficiary 5%. The \$3,600 in out-of-pocket costs is made up of the \$250 deductible, plus \$500, which represents the 25% cost sharing on \$2,000, plus the \$2,800 donut hole ($\$250 + \$500 + \$2,800 = \$3,600$).

Other Prescription Assistance Programs

Other prescription assistance may be available for those who do not meet the eligibility for the transitional assistance credit because of slightly higher incomes.

Michigan implemented the Elder Prescription Insurance Coverage (EPIC) program in October of 2001 to assist the state's low-income seniors (65 +) with the cost of their prescription drug.

EPIC is only open for emergencies. To qualify for emergency EPIC coverage, the applicant must have an income at or below 150 percent of the poverty level (in 2004 = \$13,965 for one person and \$18,735 for a couple) and a physician must certify the medication as essential.

The EPIC program also has an annual application fee of \$25.

Additional information on the EPIC program can be found at www.miepic.com. Or contact the Michigan Medicare/Medicaid Assistance Program at 1-800-803-7174.

The miRx Card is a new program for middle to low income Michigan residents who have no prescription coverage. The miRx card is free. With the miRx prescription drug discount card, uninsured or under insured residents can get up to 20% off their prescriptions at participating pharmacies. There is no age limit for participants. When individuals fill out the application, they should include all eligible members of the family or household. Once the application is completed and processed, eligible applicants will receive a miRx card in the mail within two weeks, and a list of participating pharmacies in their area. To receive an application, go to www.michigan.gov/mdch, or call 1-866-755-6479.

Many Michigan county governments or health departments also offer prescription discount cards with price reductions of 5 to 40 percent savings. The average discount is about 25 percent. For more information about your county, contact your local Area Agency on Aging (AAA) office or the Michigan Medicare/Medicaid Assistance Program (MMAP) at 1-800-803-7174.

Key Referral Sources

Additional information and assistance can be obtained through the following:

- Medicare/Medicaid Assistance Program (MMAP)
1-800-803-7174

One-on-one telephone and in-person assistance with basic and complex questions about the Medicare Approved Drug Discount Card Program, \$600 Transitional Assistance Credit, and all other prescription drug discount operations available in local communities, help with choosing a discount card and enrollment assistance. The call will route back to a trained MMAP volunteer in your county.

- 1-800-MEDICARE (1-800-633-4227) (1-877-486-2048 TTY)

Answers to basic questions about the Medicare Approved Drug Discount Card Program, \$600 Transitional Assistance Credit, and drug cards available in your area. The call will begin with a speech-automated system that prompts the caller to say, "Drug Card" to talk with a customer service representative.

- www.medicare.gov

Answers to basic and complex questions about the Medicare Approved Drug Discount Card Program, \$600 Medicare Transitional Assistance Credit, and drug cards available in your area. Offers price comparisons for prescription drugs. Customized "PDAP" on-line screening to find drug cards available in your area and to qualify for the \$600 credit. May include information on additional prescription drug discount programs.

- www.BenefitsCheckUpRx.org

The consumer must answer a number of questions initially but the site provides customized searches that include Medicare approved drug discount cards and all other prescription assistance programs.